



# Department of Justice

FOR IMMEDIATE RELEASE  
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## **JUSTICE DEPARTMENT WILL NOT CHALLENGE MERGER OF TWO NORTHERN MINNESOTA PHYSICIAN CLINICS**

WASHINGTON, D.C. -- The Department of Justice today said that it would not challenge the proposed merger of two small physician medical clinics located in rural Grand Rapids, Minnesota.

The Department's Antitrust Division said that given the rural setting of the market, the information provided by the parties about its operation, and the lack of any probable adverse competitive effect on managed care payers, the merger of the Itasca Clinic and Grand Rapids Medical Associates is not likely to substantially lessen competition.

The Department's position was stated in a business review letter from Assistant Attorney General Anne K. Bingaman, in charge of the Antitrust Division, to counsel for the two clinics.

The proposal would allow the eight-physician Itasca Clinic and the 13-physician Grand Rapids Medical Associates to merge.

Based substantially upon information presented by the clinics, the Department concluded that the merger should be analyzed for its effect in two relevant markets--primary care services provided by family practice doctors and internists, and general surgical services.

In those markets, Itasca Clinic employs about 15 percent and Grand Rapids Medical Associates employs about 25 percent of the physicians providing primary care services. Each employ about 16 percent of the general surgeons.

The Department said that although such a combination of physicians in a market could raise competitive concerns, in this instance no such concerns were expressed by third-party payers. Some payers believed the merger would result in improved access to medical care, the Department said.

Therefore, the Department does not intend to challenge the merger, although it reserves the right to bring an enforcement action if the merger should prove to have an anticompetitive effect.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Suite 215 Liberty Place, 325 7<sup>th</sup> Street, N.W., Department of Justice, Washington, D.C. 20004.

After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their confidentiality has been established pursuant to Paragraph 10(c) of the Business Review Procedure.

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